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U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
SANTA ANA

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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

UNITED STATES OF AMERICA,) SA CR No. 10-
Plaintiff,) PLEA AGREEMENT FOR DEFENDANT
v.) GLEN R. JUSTICE
GLEN R. JUSTICE,)
Defendant.)

SACR 10-0080

1. This constitutes the plea agreement between GLEN R. JUSTICE ("defendant") and the United States Attorney's Office for the Central District of California ("the USAO") in the above-captioned case. This agreement is limited to the USAO and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

PLEA

2. Defendant gives up the right to indictment by a grand jury and agrees to plead guilty to a five-count information in

1 the form attached to this agreement or a substantially similar
2 form.

3 NATURE OF THE OFFENSES

4 3. In order for defendant to be guilty of counts one
5 through five, each of which charges health care fraud in
6 violation of Title 18, United States Code, Sections 2 and 1347,
7 the following must be true: (1) the defendant knowingly and
8 willfully devised or participated in a scheme to defraud a health
9 care benefit program; (2) the statements made or facts omitted as
10 part of the scheme were material; (3) the defendant acted with
11 the intent to defraud; and (4) the scheme involved the delivery
12 of or payment for health care benefits, items or services.
13 Defendant admits that defendant is, in fact, guilty of these
14 offenses as described in counts one through five of the
15 information.

16 PENALTIES AND RESTITUTION

17 4. The statutory maximum sentence that the Court can impose
18 for each violation of Title 18, United States Code, Sections 2
19 and 1347, is: 10 years imprisonment; a three-year period of
20 supervised release; a fine of \$250,000 or twice the gross gain or
21 gross loss resulting from the offense, whichever is greatest; and
22 a mandatory special assessment of \$100.

23 5. Therefore, the total maximum sentence for all offenses
24 to which defendant is pleading guilty is: 50 years imprisonment;
25 a three-year period of supervised release; a fine of \$1,250,000
26 or twice the gross gain or gross loss resulting from the
27 offenses, whichever is greatest; and a mandatory special
28

1 assessment of \$500.

2 6. Defendant understands that defendant will be required to
3 pay full restitution to the victims of the offenses. Defendant
4 agrees that, in return for the USAO's compliance with its
5 obligations under this agreement, the amount of restitution is
6 not restricted to the amounts alleged in the counts to which
7 defendant is pleading guilty and may include losses arising from
8 counts dismissed and charges not prosecuted pursuant to this
9 agreement, as well as all relevant conduct in connection with
10 those counts and charges. The parties currently believe that the
11 applicable amount of criminal restitution is between \$400,000 and
12 \$1,000,000, but recognize and agree that this amount could change
13 based on facts that come to the attention of the parties prior to
14 sentencing. Further, the amount paid by defendant in criminal
15 restitution to any federally-funded health care benefit programs,
16 such as Medicare, Tricare, and carriers contracted with the
17 federal government through the Federal Employee Health Benefit
18 Program, shall be credited against and shall reduce, by an amount
19 equal to the amount of the restitution payment, the defendant's
20 obligation to pay any civil settlement in connection with this
21 matter. Similarly, the amount paid by defendant in any civil
22 settlement shall be credited against and shall reduce, by an
23 amount equal to the amount of the civil settlement payment, the
24 defendant's obligation to pay any criminal restitution to
25 federally-funded health care benefit programs, such as Medicare,
26 Tricare, and carriers contracted with the federal government
27 through the Federal Employee Health Benefit Program in connection
28 with this matter. This agreement shall not prejudice or restrict

1 the government's right to plead and prove, in any civil action in
2 connection with this matter, that the government sustained losses
3 in excess of \$1,000,000. Defendant agrees to make restitution at
4 or before the time of sentencing. Defendant further agrees that
5 defendant will not seek the discharge of any restitution
6 obligation, in whole or in part, in any present or future
7 bankruptcy proceeding.

8 7. Supervised release is a period of time following
9 imprisonment during which defendant will be subject to various
10 restrictions and requirements. Defendant understands that if
11 defendant violates one or more of the conditions of any
12 supervised release imposed, defendant may be returned to prison
13 for all or part of the term of supervised release, which could
14 result in defendant serving a total term of imprisonment greater
15 than the statutory maximum stated above.

16 8. Defendant also understands that, by pleading guilty,
17 defendant may be giving up valuable government benefits and
18 valuable civic rights, such as the right to vote, the right to
19 possess a firearm, the right to hold office, and the right to
20 serve on a jury.

21 9. Defendant further understands that the conviction in
22 this case may subject defendant to various collateral
23 consequences, including but not limited to deportation,
24 revocation of probation, parole, or supervised release in another
25 case, suspension or revocation of a professional license, and
26 suspension or revocation of defendant's provider status with
27 federally-funded and private health care benefit programs,
28 including but not limited to Medicare, Tricare, and carriers

1 contracted with the federal government through the Federal
2 Employee Health Benefit Program ("FEHBP"). Defendant understands
3 that unanticipated collateral consequences will not serve as
4 grounds to withdraw defendant's guilty plea.

5 FACTUAL BASIS

6 10. Defendant and the USAO agree and stipulate to the
7 statement of facts provided below. This statement of facts is
8 sufficient to support pleas of guilty to the charges described in
9 this agreement and to establish the sentencing guideline factors
10 set forth in paragraph 13 below. It is not meant to be a
11 complete recitation of all facts relevant to the underlying
12 criminal conduct or all facts known to either party that relate
13 to that conduct.

14 Beginning on a date unknown, but no later than in or around
15 2004, and continuing through at least in or around October 2009,
16 in Orange County, California, defendant knowingly and willfully
17 devised and executed a scheme to defraud federally-funded and
18 private health care benefit programs, including but not limited
19 to Medicare, Tricare, carriers contracted with the federal
20 government through the Federal Employee Health Benefit Program,
21 and Blue Cross and Blue Shield of California (collectively
22 "Health Care Benefit Programs" or "HCBPs").

23 Defendant was a licensed physician, who owned and operated a
24 medical practice called Pacific Coast Hematology/Oncology Medical
25 Group, Inc. ("PCHOMG"), located at 11190 Warner Avenue #300,
26 Fountain Valley, California. Defendant also was a provider with
27 numerous HCBPs. As part of the scheme, defendant knowingly and
28 willfully submitted, and caused to be submitted, false and

fraudulent claims to HCBPs for the following injectable medications relating to cancer treatment: Neulasta (CPT Codes Q4503 and J2505), Neupogen (CPT Codes J1440 and J1441), Procrit/Epogen/Aranesp (CPT Codes Q0137 and J0880), and Neumega (CPT Codes J2352 and J2355) (collectively "Injectable Medications"). Specifically, defendant billed patients' HCBPs for Injectable Medications knowing that those Injectable Medications never were provided to the patients, or billed patients' HCBPs for more expensive Injectable Medications when less expensive Injectable Medications were provided, i.e., "upcoding." Defendant did this despite being advised by staff not to do so, and subsequent to execution of a search warrant at his medical practice in November 2006.

The following are five of numerous false and fraudulent claims that defendant intentionally, knowingly, and willfully caused to be submitted to and paid by HCBPs for Injectable Medications that were not provided or were "upcoded":

1	Medicare	TA	3/8/05	\$1,819.14	1105069152750
2	Medicare	MB	2/11/05	\$1,819.14	1105045332740
3	Medicare	CC	9/15/05	\$494.44	1105258413130
4	Blue Shield of California	AL	5/15/09	\$2,217.21	026091411141300
5	Blue Cross of California	MM	6/14/05	\$2,471.84	05171604046

1 As a result of defendant's scheme to defraud, HCBPs suffered
2 losses between \$400,000 and \$1,000,000.

3 WAIVER OF CONSTITUTIONAL RIGHTS

4 11. By pleading guilty, defendant gives up the following
5 rights:

6 a) The right to persist in a plea of not guilty.

7 b) The right to a speedy and public trial by jury.

8 c) The right to the assistance of legal counsel at
9 trial, including the right to have the Court appoint counsel for
10 defendant for the purpose of representation at trial. (In this
11 regard, defendant understands that, despite his pleas of guilty,
12 he retains the right to be represented by counsel -- and, if
13 necessary, to have the court appoint counsel if defendant cannot
14 afford counsel -- at every other stage of the proceeding.)

15 d) The right to be presumed innocent and to have the
16 burden of proof placed on the government to prove defendant guilty
17 beyond a reasonable doubt.

18 e) The right to confront and cross-examine witnesses
19 against defendant.

20 f) The right, if defendant wished, to testify on
21 defendant's own behalf and present evidence in opposition to the
22 charges, including the right to call witnesses and to subpoena
23 those witnesses to testify.

24 g) The right not to be compelled to testify, and, if
25 defendant chose not to testify or present evidence, to have that
26 choice not be used against defendant.

27 By pleading guilty, defendant also gives up any and all
28 rights to pursue any affirmative defenses, Fourth Amendment or

Fifth Amendment claims, and other pretrial motions that have been filed or could be filed.

SENTENCING FACTORS

12. Defendant understands that the Court is required to consider the factors set forth in 18 U.S.C. § 3553(a)(1)-(7), including the kinds of sentence and sentencing range established under the United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines"), in determining defendant's sentence. Defendant further understands that the Sentencing Guidelines are advisory only, and that after considering the Sentencing Guidelines and the other § 3553(a) factors, the Court may be free to exercise its discretion to impose any reasonable sentence up to the maximum set by statute for the crimes of conviction.

13. Defendant and the USAO agree and stipulate to the following applicable Sentencing Guidelines factors:

Base Offense Level : 6 [U.S.S.G. § 2B1.1(a)(2)]

Specific Offense Characteristics

Losses between : +14 [U.S.S.G. § 2B1.1(B)(1)(H)]
\$400,000-\$1,000,000

Adjustments

Abuse of position : +2 [U.S.S.G. § 3B1.3]
of trust

The USAO will agree to a downward adjustment for acceptance of responsibility (and, if applicable, move for an additional level under § 3E1.1(b)) only if the conditions set forth in paragraph 19(d)) are met. Subject to paragraph 16, defendant and the USAO agree not to seek, argue, or suggest in any way, either orally or in writing, that any other specific offense characteristics or adjustments relating to the applicable Offense Level be imposed.

1 If, however, after signing this agreement but prior to sentencing,
2 defendant were to commit an act, or the USAO were to discover a
3 ~~previously undiscovered act committed by defendant prior to~~
4 signing this agreement, which act, in the judgment of the USAO,
5 constituted obstruction of justice within the meaning of U.S.S.G.
6 § 3C1.1, the USAO would be free to seek the enhancement set forth
7 in that section. Defendant and the USAO reserve the right to
8 argue that departures under the Sentencing Guidelines are
9 appropriate.

10 14. There is no agreement as to defendant's criminal history
11 or criminal history category.

12 15. Defendant and the USAO, pursuant to the factors set
13 forth in 18 U.S.C. § 3553(a)(1), (a)(2), (a)(3), (a)(6), and
14 (a)(7), further reserve the right to argue for a sentence outside
15 the sentencing range established by the Sentencing Guidelines.

16 16. The stipulations in this agreement do not bind either
17 the United States Probation Office or the Court. Both defendant
18 and the USAO are free to: (a) supplement the facts by supplying
19 relevant information to the United States Probation Office and the
20 Court, (b) correct any and all factual misstatements relating to
21 the calculation of the sentence, and (c) argue on appeal and
22 collateral review that the Court's Sentencing Guidelines
23 calculations are not error, although each party agrees to maintain
24 its view that the calculations in paragraph 13 are consistent with
25 the facts of this case.

26 DEFENDANT'S OBLIGATIONS

27 17. Defendant agrees that he will:

28 a) Plead guilty as set forth in this agreement.

1 b) Not knowingly and willfully fail to abide by all
2 sentencing stipulations contained in this agreement.

3 c) Not knowingly and willfully fail to: (i) appear for
4 all court appearances, (ii) surrender as ordered for service of
5 sentence, (iii) obey all conditions of any bond, and (iv) obey any
6 other ongoing court order in this matter.

7 d) Not commit any crime; however, offenses which would
8 be excluded for sentencing purposes under U.S.S.G. § 4A1.2(c) are
9 not within the scope of this agreement.

10 e) Not knowingly and willfully fail to be truthful at
11 all times with Pretrial Services, the U.S. Probation Office, and
12 the Court.

13 f) Pay the applicable special assessments at or before
14 the time of sentencing unless defendant lacks the ability to pay
15 and submits a completed financial statement (form OBD-500) to the
16 USAO prior to sentencing.

17 18. Defendant further agrees:

18 a) That any failure to provide a full and complete
19 financial disclosure of defendant's assets to the United States
20 Probation Office will constitute a breach of this agreement; and

21 b) To prevent the disbursement of monies and assets,
22 except reasonable living, legal, and business expenses, and the
23 sale of assets for the purpose of setting aside the proceeds for
24 payment of any criminal restitution or civil settlement, if such
25 disbursements are within defendant's direct or indirect control
26 until time of sentencing.

27 / / /

28 / / /

THE USAO'S OBLIGATIONS

19. If defendant complies fully with all defendant's obligations under this agreement, the USAO agrees:

a) To abide by all sentencing stipulations contained in this agreement.

b) At the time of sentencing to move to dismiss the remaining counts of the information as against defendant. Defendant agrees, however, that at the time of sentencing the Court may consider the dismissed counts in determining the applicable Sentencing Guidelines range, where the sentence should fall within that range, the propriety and extent of any departure from that range, and the determination of the sentence to be imposed after consideration of the Sentencing Guidelines and all other relevant factors under 18 U.S.C. § 3553(a).

c) Except for criminal tax violations (including conspiracy to commit such violations chargeable under 18 U.S.C. § 371), not to further prosecute defendant for violations of federal law arising out of defendant's submission of fraudulent claims to HCBPs from January 2002 through March 2010 that are of a type or nature presently known to the government. Defendant understands that the USAO is free to prosecute defendant for any other unlawful past conduct or any unlawful conduct that occurs after the date of this agreement. Defendant agrees that at the time of sentencing the Court may consider the uncharged conduct in determining the applicable Sentencing Guidelines range, where the sentence should fall within that range, the propriety and extent of any departure from that range, and the determination of the sentence to be imposed after consideration of the sentencing

1 guidelines and all other relevant factors.

2 d) At the time of sentencing, provided that defendant
3 demonstrates an acceptance of responsibility for the offenses up
4 to and including the time of sentencing, to recommend a two-level
5 reduction in the applicable sentencing guideline offense level,
6 pursuant to U.S.S.G. § 3E1.1, and to recommend and, if necessary,
7 move for an additional one-level reduction if available under that
8 section.

9 e) To recommend that defendant be sentenced to
10 probation, which may include a period of community confinement,
11 home detention, or community service. However, if the Court does
12 not follow the government's recommendation and imposes a sentence
13 of imprisonment, defendant cannot for that reason withdraw his
14 guilty pleas.

15 f) Not to seek a fine in the event defendant enters into
16 a civil settlement with the government in connection with this
17 matter.

18 BREACH OF AGREEMENT

19 20. If defendant, at any time after the execution of this
20 agreement, knowingly violates or fails to perform any of
21 defendant's agreements or obligations under this agreement ("a
22 breach"), the USAO may declare this agreement breached. If the
23 USAO declares this agreement breached at any time following its
24 execution, and the Court finds such a breach to have occurred,
25 then: (a) if defendant has previously entered guilty pleas,
26 defendant will not be able to withdraw the guilty pleas, and (b)
27 the USAO will be relieved of all of its obligations under this
28 agreement.

1 21. Following the Court's finding of a knowing and willful
2 breach of this agreement by defendant, should the USAO elect to
3 pursue any charge that was either dismissed or not filed as a
4 result of this agreement, then:

5 a) Defendant agrees that any applicable statute of
6 limitations is tolled between the date of defendant's signing of
7 this agreement and the commencement of any such prosecution or
8 action.

9 b) Defendant gives up all defenses based on the statute
10 of limitations, any claim of pre-indictment delay, or any speedy
11 trial claim with respect to any such prosecution, except to the
12 extent that such defenses existed as of the date of defendant's
13 signing this agreement.

14 c) Defendant agrees that: (i) any statements made by
15 defendant, under oath, at the guilty plea hearing (if such a
16 hearing occurred prior to the breach); (ii) the stipulated factual
17 basis statement in this agreement; and (iii) any evidence derived
18 from such statements, are admissible against defendant in any such
19 prosecution of defendant, and defendant shall assert no claim
20 under the United States Constitution, any statute, Rule 410 of the
21 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
22 Criminal Procedure, or any other federal rule, that the statements
23 or any evidence derived from any statements should be suppressed
24 or are inadmissible.

25 LIMITED MUTUAL WAIVER OF APPEAL

26 22. Defendant gives up the right to appeal any sentence
27 imposed by the Court, including any order of restitution, and the
28 manner in which the sentence is determined, provided that (a) the

1 sentence is within the statutory maximum specified above and is
2 constitutional, and (b) the Court imposes a sentence within or
3 ~~below the range corresponding to a total offense level of 19, and~~
4 the applicable criminal history category as determined by the
5 Court. Notwithstanding the foregoing, defendant retains any
6 ability defendant has to appeal the Court's determination of
7 defendant's criminal history category and the conditions of
8 probation or supervised release imposed by the Court, with the
9 exception of the following: conditions set forth in General
10 Orders 318, 01-05, and/or 05-02 of this Court; the drug testing
11 conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and
12 the alcohol and drug use conditions authorized by 18 U.S.C.
13 § 3563(b)(7).

14 23. The USAO gives up its right to appeal the sentence,
15 provided that (a) the sentence is within the statutory maximum
16 specified above and is constitutional, and (b) the Court imposes a
17 sentence within or above the range corresponding to a total
18 offense level of 19, and the applicable criminal history category
19 as determined by the Court.

20 RESULT OF VACATUR, REVERSAL OR SET-ASIDE

21 24. Defendant agrees that if any count of conviction is
22 vacated, reversed, or set aside, the USAO may: (a) ask the Court
23 to re-sentence defendant on any remaining counts of conviction,
24 with both the USAO and defendant being released from any
25 stipulations regarding sentencing contained in this agreement, (b)
26 ask the Court to void the entire plea agreement and vacate
27 defendant's guilty pleas on any remaining counts of conviction,
28 with both the USAO and defendant being released from all of their

1 obligations under this agreement, or (c) leave defendant's
2 remaining convictions, sentence, and plea agreement intact.
3 ~~Defendant agrees that the choice among these three options rests~~
4 in the exclusive discretion of the USAO.

5 COURT NOT A PARTY

6 25. The Court is not a party to this agreement and need not
7 accept any of the USAO's sentencing recommendations or the
8 parties' stipulations. Even if the Court ignores any sentencing
9 recommendation, finds facts or reaches conclusions different from
10 any stipulation, and/or imposes any sentence up to the maximum
11 established by statute, defendant cannot, for that reason,
12 withdraw defendant's guilty pleas, and defendant will remain bound
13 to fulfill all defendant's obligations under this agreement. No
14 one -- not the prosecutor, defendant's attorney, or the Court --
15 can make a binding prediction or promise regarding the sentence
16 defendant will receive, except that it will be within the
17 statutory maximum.

18 NO ADDITIONAL AGREEMENTS

19 26. Except as set forth herein, there are no promises,
20 understandings or agreements between the USAO and defendant or
21 defendant's counsel. Nor may any additional agreement,
22 understanding or condition be entered into unless in a writing
23 signed by all parties or on the record in court.

24 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

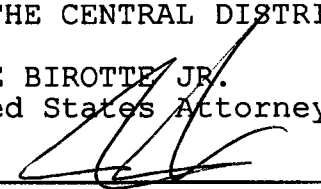
25 27. The parties agree and stipulate that this Agreement will
26 be considered part of the record of defendant's guilty plea
27 hearing as if the entire Agreement had been read into the record
28 of the proceeding.

1 This agreement is effective upon signature by defendant and
 2 an Assistant United States Attorney.

3 AGREED AND ACCEPTED

4 UNITED STATES ATTORNEY'S OFFICE
 5 FOR THE CENTRAL DISTRICT OF CALIFORNIA

6 ANDRÉ BIROTTE JR.
 7 United States Attorney

8 
 JEANNIE M. JOSEPH
 Assistant United States Attorney

3/15/10
 Date


9 I have read this agreement and carefully discussed every part
 10 of it with my attorney. I understand the terms of this agreement,
 11 and I voluntarily agree to those terms. My attorney has advised
 12 me of my rights, of possible defenses, of the sentencing factors
 13 set forth in 18 U.S.C. § 3553(a), of the relevant Sentencing
 14 Guidelines provisions, and of the consequences of entering into
 15 this agreement. No promises or inducements have been given to me
 16 other than those contained in this agreement. No one has
 17 threatened or forced me in any way to enter into this agreement.
 18 Finally, I am satisfied with the representation of my attorney in
 19 this matter.

20 
 21 GLEN R. JUSTICE
 Defendant

3/15/10
 Date

22
 23 I am defendant GLEN R. JUSTICE's attorney. I have carefully
 24 discussed every part of this agreement with my client. Further, I
 25 have fully advised my client of his rights, of possible defenses,
 26 of the sentencing factors set forth in 18 U.S.C. § 3553(a), of the
 27 relevant Sentencing Guidelines provisions, and of the consequences
 28 of entering into this agreement. To my knowledge, my client's

1 decision to enter into this agreement is an informed and voluntary
2 one.

3 
4 DAVID WIECHERT
5 Counsel for Defendant
6 GLEN R. JUSTICE

3-15-10
Date

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

UNITED STATES OF AMERICA,) SA CR No. 10-
)
Plaintiff,) I N F O R M A T I O N
)
v.) [18 U.S.C. § 1347: Health Care
) Fraud; 18 U.S.C. § 2: Aiding
GLEN R. JUSTICE,) and Abetting/Causing an Act to
) be Done]
Defendant.)
)
)
)
)
)

The United States Attorney alleges:

COUNTS ONE THROUGH FIVE

[18 U.S.C. §§ 2, 1347]

A. INTRODUCTION

At all times relevant to this Information:

1. Defendant GLEN R. JUSTICE ("defendant") was a physician who owned and operated a medical practice called Pacific Coast Hematology/Oncology Medical Group, Inc., located at 11190 Warner Avenue #300, Fountain Valley, California.

2. Defendant further was enrolled as a provider with federally-funded and private health care benefit programs,

1 including, but not limited to, Medicare, Tricare, carriers
2 contracted with the federal government through the Federal
3 Employee Health Benefit Program, and Blue Cross and Blue Shield
4 of California (collectively, "Health Care Benefit Programs" or
5 "HCBPs").

6 3. Defendant billed HCBPs for injectable medications
7 relating to cancer treatment, including, but not limited to,
8 Neulasta (CPT Codes Q4503 and J2505), Neupogen (CPT Codes J1440
9 and J1441), Procrit/Epogen/Aranesp (CPT Codes Q0137 and J0880),
10 and Neumega (CPT Codes J2352 and J2355) (collectively, "Injectable
11 Medications").

12 B. THE FRAUDULENT SCHEME

13 4. Beginning on a date unknown, but at least since in or
14 around 2002, and continuing through at least in or around October
15 2009, in Orange County, within the Central District of
16 California, and elsewhere, defendant, together with others known
17 and unknown to the United States Attorney, aiding and abetting
18 each other, knowingly, willfully, and with the intent to defraud,
19 devised and executed a scheme and artifice: (a) to defraud HCBPs
20 as to material matters in connection with the delivery of and
21 payment for health care benefits, items, and services; and (b) to
22 obtain money from HCBPs by means of material false and fraudulent
23 pretenses and representations and the concealment of material
24 facts in connection with the delivery of and payment for health
25 care benefits, items, and services.

26 C. MEANS TO ACCOMPLICE THE FRAUDULENT SCHEME

27 5. The fraudulent scheme operated, in substance, in the
28 following manner:

1 a. Defendant, together with others known and unknown
2 to the United States Attorney, aiding and abetting each other,
3 and acting with intent to defraud and deceive, knowingly and
4 willfully caused false information and false statements to be
5 communicated, and material information to be concealed and
6 omitted, in billings to HCBPs, including, without limitation:

7 (i) Representing that Injectable Medications were
8 provided to patients when, in fact, no such Injectable
9 Medications were provided; and

10 (ii) Representing that more expensive Injectable
11 Medications were provided when, in fact, less expensive
12 Injectable Medications were provided, i.e., "upcoding."

13 b. Defendant, together with others known and unknown
14 to the United States Attorney, and acting with intent to defraud
15 and deceive, knowingly and willfully caused, aided and abetted,
16 and engaged in fraudulent and deceptive acts, practices, and
17 devices including, without limitation:

18 (i) Causing HCBPs to be billed for Injectable
19 Medications when, in fact, no such Injectable Medications were
20 provided; and

21 (ii) Causing HCBPs to be billed for more expensive
22 Injectable Medications when, in fact, less expensive Injectable
23 Medications were provided, i.e., "upcoding."

24 6. At the time defendant made the false statements and
25 caused them to be made, concealed and omitted material
26 information and caused such information to be concealed and
27 omitted, and caused, aided and abetted, and engaged in the
28 fraudulent acts, practices, and devices set forth above,

1 defendant knew that said statements were false, that material
2 information was concealed and omitted, and that the subject acts,
3 practices, and devises were fraudulent, unlawful, and deceptive.

4 In particular, defendant knew the following:

5 a. That defendant was not allowed to bill HCBPs for
6 services that were not provided; and

7 b. That defendant was not allowed to "upcode" the
8 type of service provided to obtain a greater reimbursement from
9 HCBPs.

10 7. In carrying out the scheme, acting with intent to
11 defraud and deceive, defendant concealed and failed to disclose
12 to HCBPs the true facts about his fraudulent business practices
13 regarding the delivery of and payment for Injectable Medications.
14 Such concealed and omitted facts were material in that, had the
15 HCBPs known the true facts, they would not have paid for the
16 Injectable Medications defendant billed that were not provided.

17 D. RESULTS OF THE FRAUDULENT SCHEME

18 8. By devising and executing the fraudulent scheme,
19 defendant caused losses to HCBPs of between \$400,000 and
20 \$1,000,000.

21 E. EXECUTION OF THE FRAUDULENT SCHEME

22 9. On or about the dates set forth below, within the
23 Central District of California, and elsewhere, defendant,
24 together with others known and unknown to the United States
25 Attorney, aiding and abetting each other, for the purpose of
26 executing and attempting to execute the scheme to defraud
27 described above, knowingly and willfully caused to be submitted
28 to the indicated HCBPs the following false and fraudulent claims:

COV#	ICD-9	ICD-10	DATE	AMOUNT	COV#
1	Medicare	TA	3/8/05	\$1,819.14	1105069152750
2	Medicare	MB	2/11/05	\$1,819.14	1105045332740
3	Medicare	CC	9/15/05	\$489.44	1105258413130
4	Blue Shield of California	AL	5/15/09	\$2,217.21	026091411141300
5	Blue Cross of California	MM	6/14/05	\$2,471.84	05171604046

ANDRÉ BIROTTE JR.
United States Attorney

CHRISTINE C. EWELL
Assistant United States Attorney
Chief, Criminal Division

DOUGLAS F. McCORMICK
Assistant United States Attorney
Acting Chief, Santa Ana Branch Office

JEANNIE M. JOSEPH
Assistant United States Attorney